

INFORMATION CONCERNING THE CITY OF KANSAS CITY, MISSOURI

GENERAL INFORMATION

Location, Size and Demographics

Kansas City, Missouri (the "City") is the largest City in Missouri and is the central city of a fifteen county Metropolitan Statistical Area (MSA) which includes Bates, Caldwell, Cass, Clay, Clinton, Lafayette, Ray, Jackson and Platte counties in the State of Missouri and Johnson, Franklin, Linn, Wyandotte, Miami and Leavenworth counties in the State of Kansas. The City is located in parts of Jackson, Clay, Platte and Cass counties on the western border of the State of Missouri, and is situated at the confluence of the Kansas and Missouri rivers on Interstate Highways I-29, I-35 and I-70.

Historically, the City has pursued a policy of annexation, and is today the 11th largest city in land area in the United States with a total area of approximately 319 square miles (This information is true excluding cities consolidated with counties.)

According to the Department of City Planning and Development of Kansas City, Missouri, estimate, year 2010 population of the City and the Kansas City MSA are estimated at 484,469 and 2,089,087, respectively. There is excellent quality and reasonably priced housing available in the City. The cost of an existing home in the City is approximately twenty-one percent (21.3%) below the average for comparable homes in the United States as of first quarter in 2010.

Municipal Government and Services

The City was incorporated on June 3, 1850. The City is a constitutional home rule city and adopted its present Charter by popular vote on August 8, 2006, pursuant to Article VI, Section 19 of the Missouri Constitution.

The City has a Council-Manager form of government. There are 13 members of the Council, including the Mayor. All are elected for four-year terms, with the Mayor and six Council members elected at large and the other six Council members elected by the residents of their districts. The City Manager is appointed by the Council. The Council determines City policy and oversees City affairs. All resolutions and most ordinances can be passed by the affirmative vote of seven Council members. However, emergency measures for the immediate preservation of the public peace, property, health, safety or morals and ordinances to expel a council member, to amend the zoning law when under protest, or to borrow money require nine affirmative votes.

As of September 1, 2010, the City has approximately 6,729 employees including the Police Department. The police are not unionized. Certain Fire personnel are union-eligible; however, not all Fire Department employees are represented by a bargaining unit. Along with the Fire Chief, and his Principal Assistant, the Fire Department has administrative, clerical, and Deputy Chiefs that are not represented by any bargaining unit. The Fire personnel are represented by the Local 42 IAFF (approximately 1244) and the 3808 IAFF Union (approximately 38 members). Approximately 1,723 City employees, in labor classifications, are represented by the AFSCME Local 500. The current Local 500 Memorandum of Understanding (MOU) was adopted by the City Council and effective on September 14, 2008, retroactive to May 1, 2008 and will expire on April 30, 2011.

The City's tax structure is diverse and includes the Earnings and Profits Tax, Sales and Use Tax, Convention and Tourism Tax, General Property Tax, Gaming Tax, Motor Fuel Tax, Utility Tax which includes Telephone, Natural Gas, Steam, Cable Television and Electric taxes, Cigarette and Occupational License Tax.

The City provides all basic municipal services, including police and fire protection, emergency medical treatment, water and sewage treatment, street construction and maintenance, traffic regulation and control, refuse collection, street lighting, public health protection, animal health and safety, property maintenance and public nuisance code enforcement, planning and maintenance of City parks and boulevards, street tree maintenance, municipal golf courses, public swimming pools and tennis courts, community center operations, management of two municipal airports, administration of zoning and building code regulations, parking garage operation, and operation of the City's convention facilities. The Police Department, although financed primarily by General Funds of the City, is a separate governmental entity governed by a Board of Police Commissioners appointed by the Governor of the State of Missouri. School districts, which serve the City, are also separate governmental entities. Truman Medical Center receives funding from a dedicated ad valorem property tax but is governed by a separate board.

SELECTED DEMOGRAPHIC STATISTICS

Kansas City, Missouri			Metropolitan Statistical Area ⁽³⁾		
Year	Population ⁽¹⁾	Per Capita ⁽⁴⁾ Personal Income	Year	Population ⁽¹⁾	Per Capita ⁽⁴⁾ Personal Income
2001	445,551	21,587	2001	1,865,245	24,574
2002	449,266	22,755	2002	1,890,419	24,560
2003	453,948	20,026	2003	1,912,368	24,907
2004	458,619	22,405	2004	1,935,840	24,914
2005	463,985	24,567	2005	1,958,504	26,251
2006	470,077	24,180	2006	1,984,954	26,848
2007	475,830	24,299	2007	2,011,857	27,650
2008	480,129	27,298	2008	2,046,083	29,084
2009	482,299	27,272 ⁽⁵⁾	2009	2,067,585	28,781 ⁽⁵⁾
2010	484,469 ⁽²⁾	27,803 ⁽⁵⁾	2010	2,089,087 ⁽²⁾	29,341 ⁽⁵⁾

(1) The Calendar Year 2001-2009 population estimates were provided by the U.S. Census Bureau.

(2) The Calendar Year 2010 numbers were estimated by the City Planning and Development Department of Kansas City, Missouri using the same growth as 2008-2009.

(3) The Federal Office of Management and Budget changed Kansas City, Missouri's Metropolitan Statistical Area (MSA) from eleven (11) to fifteen (15) counties in 2003. All fifteen (15) counties are included in the MSA population numbers.

(4) Fiscal Year 2001-2008 American Community Survey.

(5) Estimated by the City Planning and Development Department of Kansas City, Missouri using 2008 American Community Survey per capita income for KCMO, 2008 full year CPI for KC metro area, and 2009 full year CPI for KC metro area.

Sources: U.S Census Bureau; City Planning and Development Department, and Census Bureau's Annual America Community Survey.

COMPARISON OF METROPOLITAN AREAS

	ACCRA Cost of Living Index <u>2010 1st Quarter</u> ⁽¹⁾	Median Price, Existing Homes <u>2010 1st Quarter</u> ⁽²⁾	Per Capita Retail Sales <u>(2009)</u> ⁽³⁾
Kansas City	97.6	\$130,700	\$14,520
U.S.	100.0	166,100	14,980
Atlanta	96.2	110,100	15,040
Charlotte	93.5	171,400	16,590
Chicago	118.3	176,400	15,450
Columbus	92.7	125,800	13,090
Dallas	90.8	141,900	13,111
Denver	102.0	224,800	16,111
Los Angeles	136.2	331,400	14,980
Memphis	90.2	113,900	14,260
Minneapolis	109.7	162,000	15,980
New York	218.0	380,400	14,620
Phoenix	99.5	140,900	16,860
Saint Louis	90.1	116,100	14,960
Salt Lake City	100.0	203,800	19,980
San Francisco	162.1	518,200	16,070

Sources:

All information in the above table was obtained from the Kansas City Area Development Council (KCADC). For comparability to other City MSA's, Kansas City information is based on fifteen (15) county areas for the "Per Capita Retail Sales" and "Median Home Price." Reference is further made by KCADC to the following sources:

- (1) The Council for Community and Economic Research, ACCRA.
- (2) National Association of Realtors.
- (3) Nelson Market Demographics 2009.

THE KANSAS CITY ECONOMY

The City is a regional center for transportation, telecommunications, manufacturing, health care, trade, financial services, and government. Major companies headquartered in metropolitan Kansas City, Missouri include Sprint Nextel Corporation, HCA-Midwest Health Systems and St. Luke's Health System. Other major employers include the Public School Systems, State/County/City Government, Federal Government, McDonald's USA LLC, St. Luke's Health System, Children's Mercy Hospitals and Clinics and Cerner Corporation.

The City's economy provides for a consistent and well distributed earnings and employment environment for its business sectors.

The City's proximity and ready access to geographical and population centers throughout the nation make the area an attractive location for industrial product distribution and trade. The City's central location is advantageous for commuting to all parts of the United States and has enhanced its development and posture as a major transportation center with a complete range of transportation facilities, including a major highway network, eleven railroad trunk lines, and the Kansas City International Airport (KCI). KCI handled 9.8 million passengers in fiscal year 2010. As of April 30, 2010, there were 11 passenger marketing airlines and 23 passenger operating carriers serving 46 cities with nonstop service. From May 2010 through July 2010 KCI handled 2.9 million passengers. As of July 31, 2010, there were 12 passenger marketing airlines and 24 passenger operating carriers serving 45 cities with nonstop service. Flight times from KCI are about three hours to either coastline.

MAJOR KANSAS CITY METROPOLITAN STATISTICAL AREA EMPLOYERS

Kansas City Metropolitan Area Principal Employers

Employer	Type of Business	Number of Employees ⁽³⁾
Federal Government	Government	37,070
Public School System ⁽¹⁾	Education	29,556
State/County/City Government ⁽²⁾	Government	27,371
HCA Midwest Health Systems	Health Care Provider	8,127
Sprint Nextel Corp.	Wireless Telecommunication	7,300
Saint Luke's Health System	Health Care Provider	6,622
McDonald's USA LLC	Quick-Service Restaurant	5,700
Cerner Corp	Health Care Information Technology	4,980
Children's Mercy Hospitals & Clinic	Health Care Provider	4,812
Truman Medical Centers	Health Care Provider	4,081
AT&T Inc.	Telecommunications	3,710
General Motors Fairfax Assembly Plant	Automotive Assembly	3,706
Hallmark Cards, Inc.	Greeting Cards, Expression Products	3,700
	Television Programming	
Ford Motor Company	Automotive Assembly	3,600
Black & Veatch	Global Engineering Consulting and	3,200
	Construction Company	

(1) The number of local employees for the public school systems is made up of eleven (11) public school systems and school districts.

(2) The number of local employees for the State/County/City Government is made up of eight (8) employers.

(3) The City does not undertake continuously to update this table. The information presented in this table speaks only as of the date indicated in the source. Layoffs or developments after this date is not presented, and they can render some information in the table to be inaccurate. In general, employment has sharply declined in recent months and job losses were widespread across most major industry sectors.

Source: Top Public-Sector Employers, Kansas City Business Journal, April 2, 2010 and Top100 Area Private Sector Employers, Kansas City Business Journal, April 16, 2010.

EMPLOYMENT INFORMATION

The following table shows the annual average non-agricultural employment for the metropolitan area for 2005 to 2009.

ANNUAL AVERAGE NON-AGRICULTURAL EMPLOYMENT METROPOLITAN AREA

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Manufacturing	82,900	83,300	82,400	80,900	73,500
Trade, Transport & Utilities	203,600	205,000	207,900	205,900	197,000
Information	42,600	42,000	42,500	42,000	39,100
Finance	71,100	73,100	74,200	72,900	70,700
Professional & Business Services	137,700	141,600	147,900	149,200	141,100
Educational & Health Services	111,700	114,500	118,600	123,700	127,000
Leisure & Hospitality	93,000	94,600	95,300	96,400	94,000
Government	144,300	145,800	150,500	152,800	154,300
Mining, Logging & Construction ⁽¹⁾	52,900	54,400	53,000	50,300	43,900
Other Services	40,200	39,900	41,100	41,700	41,000
<i>Total, Non-farm</i>	<i>980,000</i>	<i>994,200</i>	<i>1,013,400</i>	<i>1,015,800</i>	<i>981,600</i>

(1) The name was changed from Natural Resources and Construction to Mining, Logging and Construction by the Federal Bureau of Labor and Statistics.

Sources: Missouri Department of Economic Development, Missouri Economic Research & Information Center in Cooperation with U.S. Department of Labor, Bureau of Labor Statistics. These figures were based upon the North American Industry Classification System (NAICS).

The following table depicts average annual unemployment rates for the last ten calendar years.

AVERAGE ANNUAL UNEMPLOYMENT RATES

Year	Kansas City	MSA	United States
2001	5.3	4.4	4.7
2002	6.6	5.5	5.8
2003	7.2	6.0	6.0
2004	7.7	6.1	5.5
2005	7.1	5.6	5.1
2006	6.4	5.0	4.6
2007	6.5	5.0	4.6
2008	7.6	5.8	5.8
2009	10.0	8.6	9.3
2010	10.2 ⁽¹⁾	8.8 ⁽¹⁾	9.85 ⁽²⁾

(1) Unemployment Rate from January 2010 to July 2010.

(2) Unemployment Rate from January 2010 to August 2010.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

The following table shows the valuation of building construction for the last ten fiscal years:

Property Valuation
BUILDING CONSTRUCTION VALUATION
(Amounts Expressed in Thousands)

Fiscal Year	Commercial Valuation	Residential Valuation	Total
2001	482,427	244,223	726,650
2002	685,120	306,693	991,813
2003	426,447	397,062	823,509
2004	372,238	394,758	766,996
2005	600,068	471,313	1,071,381
2006	1,095,063	417,816	1,512,879
2007	749,898	345,252	1,095,150
2008	900,097	354,808	1,254,905 ⁽¹⁾
2009	710,284	240,803	951,087
2010	398,961	158,783	557,744

(1) Fiscal year 2008 numbers were revised by the Department of City Planning and Development in Fiscal Year 2009.

Sources: Division of Development Services, Department of City Planning and Development, City of Kansas City, Missouri.

The following table shows the locally assessed value of both real and personal taxable property for the last ten fiscal years:

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
(Amounts Expressed in Thousands)

Fiscal Year	Real Property	Personal Property	Total Taxable Assessed Value
2001	3,589,296	1,596,472	5,185,768
2002	3,899,050	1,596,366	5,495,416
2003	3,850,565	1,526,968	5,377,533
2004	4,242,606	1,425,531	5,668,137
2005	4,488,998	1,428,914	5,917,912
2006	5,021,849	1,432,570	6,454,419
2007	5,185,697	1,438,517	6,624,214
2008	5,512,212	1,771,702	7,283,914
2009	5,808,887	1,578,677	7,387,564
2010	5,589,605	1,507,749	7,097,354

Sources: Original data obtained from aggregate assessed valuation reports certified by each county clerk and on file with the State of Missouri and the Statistical Data Section of the City of Kansas City, Missouri Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2010.

BUDGETING, ACCOUNTING AND AUDITING PROCEDURES

Budget Process

The City Charter requires that the City Council adopt an annual budget for the City's May 1 through April 30 fiscal year. In fulfilling this requirement, the City's year-round budget and planning process consists of four phases:

Budget Development. The Office of Management and Budget issues budget instructions to city departments, boards, and commissions to be used in estimating revenues and requesting the appropriations necessary to fulfill their needs in the next fiscal year. Departments prepare their budget requests based on estimates of work to be performed and their cost. The amounts requested must be justified in terms of the results to be achieved. The City Charter requires that departments submit their requests to the City Manager on or before the 15th day of November. During this phase, the City Council also convenes budget priority sessions to provide staff with information on City Council funding priorities.

Budget Review. The Office of Management and Budget performs technical and policy reviews of departmental budget requests and forwards recommendations to the City Manager. The Budget Director and the City Manager confer with departmental staff to formulate a balanced budget. This draft budget is provided to the Mayor no later than January 15th for review and comment.

Budget Consideration and Adoption. The Mayor transmits to the City Council not later than the second regular meeting in February the annual budget prepared by the City Manager with any comments of the Mayor. The City Council conducts a review of the budget, including hearings with the City Manager and department officers. Upon completion of its review of the budget the City Council holds at least one public hearing and, in any case not later than the first regular meeting in March, places on file in the office of the City Clerk the annual budget ordinance and holds hearings with the public. At the fourth regular meeting in March the City Council shall adopt the annual budget ordinance with or without alteration or amendment.

Administration of the Budget. After the budget has been adopted by the City Council, the approved appropriations and revenues are entered into the City's financial accounting system. The City Controller reports to the City Council, upon the close of books for each month of the fiscal year, the status of the budget. The Office of Management and Budget performs a quarterly analysis of revenues and appropriations, makes new estimates of such, and recommends necessary budget adjustments to ensure the City's budget remains in balance. Strict budgetary compliance is maintained through the checks and balances of administrative regulations, Finance Department Manuals of Instruction, and an automated accounting system. Department budgets can be increased or decreased only by passage of an ordinance by the City Council.

Accounting Procedures and Annual Audit

Under the requirements of Governmental Accounting Standards Board Statement No. 34 (GASB 34) – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments a dual reporting perspective is required for financial statement presentation. This dual perspective includes both a fund basis perspective and an entity wide perspective. Fiscal year 2002-03 was the first year of implementation of GASB 34 for the City.

Under the fund basis perspective, the City reports on a modified accrual basis of accounting for the various Governmental fund types and the accrual basis of accounting is utilized by the Proprietary and Fiduciary fund types. Under the entity wide perspective, the accrual basis of accounting is utilized.

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and that financial statements present fairly the results of operations of the various funds of the City. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

The Charter requires an annual audit of the City's financial statements by an independent certified public accountant. In addition to meeting the requirements set forth in the Charter, the City has obtained an audit in accordance with the provisions of the Office of Management and Budget Circular A-133.

INFORMATION ON GOVERNMENTAL FUNDS
CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

Last Five Fiscal Years
(In thousands)

	2006	2007	2008	2009	2010
Revenues:					
Taxes	533,603	555,646	576,444	561,936	527,477
Licenses, permits and franchises	112,428	113,307	154,948	139,922	141,352
Fines and forfeitures	16,371	17,187	17,091	16,701	18,307
Rents and concessions	20,921	18,556	15,852	14,824	12,751
Charges for services	42,885	41,453	46,385	76,063	67,809
Special assessments	6,794	6,710	7,094	7,666	7,513
Intergovernmental	83,373	100,628	103,517	138,631	132,043
Investment earnings	28,268	47,737	37,493	21,338	8,299
Contributions	11,584	44,430	42,164	16,664	10,277
Lease rentals	-	-	-	-	-
Other revenues	5,472	9,373	9,184	12,879	17,240
Total revenues	861,699	955,027	1,010,172	1,006,624	943,068
Expenditures:					
General government	72,585	98,356	117,593	122,471	110,901
Fire	105,628	97,493	94,735	97,432	97,486
Public works	133,761	214,404	57,309	65,312	62,494
Codes administration	6	-	-	-	-
Neighborhood development	40,771	39,375	33,497	58,048	72,068
Health	60,014	62,409	66,386	65,224	65,227
Culture and recreation	47,883	42,641	42,385	40,259	35,763
Convention facilities	29,530	26,721	21,263	14,338	16,429
Pollution control	398	-	-	-	-
Nondepartmental	57,114	46,813	84,653	78,078	61,401
Police	153,606	165,071	182,998	197,290	186,186
Intergovernmental	48,402	47,964	47,893	48,233	42,441
Capital Improvement Expenditures	288,602	289,661	334,251	212,248	192,834
Debt service:					
Interest	49,339	59,544	66,951	76,893	71,863
Principal	39,931	43,977	59,501	49,386	68,083
Bond issuance costs	3,043	4,340	3,160	3,269	1,623
Total expenditures	1,130,613	1,238,769	1,212,575	1,128,481	1,084,799
Excess of revenues over (under) expenditures	(268,914)	(283,742)	(202,403)	(121,857)	(141,731)
Other financing sources (uses):					
Issuance of debt	69,488	232,018	101,107	39,110	141,721
Issuance of refunding debt	161,900	102,600	121,225	503,900	35,845
Premium/discount on bond issue	8,183	10,715	4,514	(5,691)	1,496
Payment to refund bond escrow agent	(173,205)	(107,666)	(121,225)	(513,359)	(39,792)
Proceeds of capital leases	-	-	-	-	-
Transfers in	188,462	150,193	159,105	195,194	167,711
Transfers out	(188,147)	(150,869)	(160,069)	(195,194)	(167,711)
Intergovernmental Transfers				(33,183)	-
Total other financing sources (uses)	66,681	236,991	104,657	(9,223)	139,270
Restatement of beginning fund balance	-	-	-	-	-
Net change in fund balance	(202,233)	(46,751)	(97,746)	(131,080)	(2,461)
Debt service expenditures	89,270	103,521	126,452	126,279	139,946
Capital Improvement	288,602	289,661	334,251	212,248	192,834
Net operating expenditures	842,011	949,108	878,324	916,233	891,965
Debt Service as a percentage of net operating expenditures	10.6%	10.9%	14.4%	13.8%	15.7%

Source: Statistical Data Section of the Comprehensive Annual Financial Report for Fiscal Year 2010.

Sources of revenue for the City's governmental funds are widely diversified as shown in the following table:

GOVERNMENTAL FUND REVENUES
(Amount Expressed in Thousands)

		2009	2010	Increase or (Decrease)	Percentage Increase or (Decrease)
Revenues:					
Taxes	\$	561,936	527,477	(34,459)	(6.13%)
Licenses, fees, and permits		139,922	141,352	1,430	1.02%
Fines and penalties		16,701	18,307	1,606	9.62%
Rents and concessions		14,824	12,751	(2,073)	(13.98%)
Charges for services		76,063	67,809	(8,254)	(10.85%)
Special assessments		7,666	7,513	(153)	(2.00%)
Intergovernmental		138,631	132,043	(6,588)	(4.75%)
Investment earnings		21,338	8,299	(13,039)	(61.11%)
Contributions		16,664	10,277	(6,387)	(38.33%)
Lease rentals		—	—	—	—
Other revenues		12,879	17,240	4,361	33.86%
		1,006,624	943,068	(63,556)	(6.31%)

Revenues for the City's governmental funds during fiscal year 2010 totaled \$943 million a decrease of (6.31%) over fiscal year 2009.

Source: Statistical Data Section of the City of Kansas City, Missouri, Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2010.

The City's governmental funds are used to account for expenditures of traditional government services as shown in following table:

GOVERNMENTAL FUND EXPENDITURES
(Amount Expressed in Thousands)

		2009	2010	Increase or (Decrease)	Percentage Increase or (Decrease)
General government	\$	122,471	110,901	(11,570)	(9.45%)
Fire		97,432	97,486	54	0.06%
Public works		65,312	62,494	(2,818)	(4.31%)
Codes administration		—	—	—	—
Neighborhood development		58,048	72,068	14,020	24.15%
Health		65,224	65,227	3	0.00%
Culture and recreation		40,259	35,763	(4,496)	(11.17%)
Convention facilities		14,338	16,429	2,091	14.58%
Pollution control		—	—	—	—
Nondepartmental		78,078	61,401	(16,677)	(21.36%)
Police		197,290	186,186	(11,104)	(5.63%)
Intergovernmental		48,233	42,441	(5,792)	(12.01%)
Capital outlay		212,248	192,834	(19,414)	(9.15%)
Debt service:		—	—	—	—
Interest		76,893	71,863	(5,030)	(6.54%)
Principal		49,386	68,083	18,697	37.86%
Bond issuance costs		3,269	1,623	(1,646)	(50.35%)
	\$	1,128,481	\$ 1,084,799	(43,682)	(3.87%)

Expenditures for the City's governmental funds during fiscal year 2010 totaled \$1 billion, and decrease of (3.87 %) over fiscal year 2009.

Source: Statistical Data Section of the City of Kansas City, Missouri, Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2010.

The fund balances of the General Fund and other selected operating funds for the last five years are shown in the following table:

FUND BALANCES Governmental Funds <i>Budget Basis ⁽¹⁾</i> <i>(Amount Expressed in Thousands)</i>					
	2006	2007	2008	2009	2010
General Fund	33,976 ⁽²⁾	22,807 ⁽³⁾	27,533 ⁽⁴⁾	34,717 ⁽⁵⁾	36,554 ⁽⁶⁾
General Fund Expenditures & Transfers Out (actual)	403,876	445,010	465,988	474,108	478,406
Fund Balance as a Percent Of Expenditures & Transfers	8.41%	5.13%	5.91%	7.32%	7.64%
Other Operating Funds					
Park Funds ⁽⁷⁾	\$4,526	\$8,112	\$18,186	\$18,616	\$18,444
Motor Fuel Tax	(2,151)	(3,008)	(1,941)	(242)	792
Public Mass Transit	891	2,687	3,606	3,211	1,833
Convention and Tourism	19,081	20,277	14,180	9,791	2,530
Capital Improvements	121,549	114,032	136,306	124,915	91,648
Other	43,809	65,976	94,932	82,366	76,164
General Debt & Interest	10,678	14,120	8,880	4,813	1,331
Total General & Other Selected Operating Funds	\$232,359	\$245,003	\$301,682	\$278,187	\$229,296

- (1) The City budgets on a cash basis.
- (2) The General Fund balance was adjusted to \$ 19.3 million on May 1, 2006, or 4.78% of General Fund Expenditures and Transfers. This was the result of \$10.4 million of revenue re-estimation, \$25.5 million of re-appropriations, and the restoration of \$0.4 million of unused resources to balance the fiscal year 2006-07 General Fund budget.
- (3) The General Fund balance was adjusted to \$ 19.8 million on May 1, 2007, or 4.45% of General Fund Expenditures and Transfers. This was the result of \$3.1 million of re-appropriations, and the restoration of \$0.1 million of unused resources to balance the fiscal year 2007-08 General Fund budget.
- (4) The General Fund Balance was adjusted to \$26.2 million on May 1, 2008 or 5.62% of General Fund Expenditures and Transfers. This was the result of an ending Fund Balance of \$27.6 million less \$1.4 million of re-appropriations for Police Department encumbrances.
- (5) The General Fund Balance was adjusted to \$33.2 million on May 1, 2009 or 7.01% of General Fund Expenditures and Transfers out. This was the result of an ending Fund Balance of \$34.7 million less \$5.0 million of re-appropriations of unspent appropriations plus \$3.5 million of re-estimation of uncollected revenues.
- (6) Several Parks Funds, which were classified under "Other" in previous reports, were moved from the "Others" category to the "Parks Funds" category.
- (7) The General Fund balance was adjusted to \$34.2 million on May 1, 2010 or 7.15% of General Fund expenditures and transfers out. This was the result of an ending funding balance of \$36.6 million less \$6.6 million of re-appropriations of unspent appropriations plus \$4.2 million of re-estimation of uncollected revenue.

Source: Combining Individual Funds Statements and Schedules of the City of Kansas City, Missouri Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2010.

PROPERTY TAX VALUATIONS AND REVENUES

Assessment Procedure

All taxable real and personal property within the City is assessed annually by the County Assessors. Missouri Law requires that property be assessed at the following percentages of true value:

Personal property.....	33-1/3%
Residential real property	19%
Agricultural and horticultural real property.....	12%
Utility, industrial, commercial railroad and all other real property.....	32%

A general reassessment of real property occurred statewide in 1985. In order to maintain equalized assessed valuations following this reassessment, the state legislature adopted a maintenance law in 1986 requiring biennial reassessment of real property. Beginning January 1, 1987, and every odd-numbered year thereafter, each County Assessor must adjust the assessed valuation of all real property located within the county in accordance with the biennial assessment and equalization maintenance plan approved by the State Tax Commission.

The County Assessor is responsible for preparing the tax roll each year and for submitting the tax roll to the Board of Equalization. The County Board of Equalization has the authority to adjust and equalize the values of individual properties appearing on the tax rolls.

Every person owning or holding real property or tangible personal property on January 1 of any calendar year shall be liable for taxes. Certain properties, such as those used for charitable, educational and religious purposes are excluded from both the real estate ad valorem tax and personal property tax.

History of Property Valuations

The following table shows the total assessed valuation, by category, of all taxable, tangible property located in the City according to the assessment on January 1, 2009 (fiscal year 2010):

Real Property	\$5,589,605,001
Individual and Business Personal Property	1,379,988,986
Railroad and Utility Property	<u>127,759,910</u>
TOTAL	\$7,097,353,897

The total assessed valuation and estimated true valuation of all taxable, tangible property located in the City, according to the assessments on January 1 for the last ten years are shown in the following table:

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
(Amount Expressed in Thousands)

Fiscal Year	Real Property	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2001	3,589,296	1,596,472	5,185,768	1.35	20,513,268	25.28%
2002	3,899,050	1,596,366	5,495,416	1.32	21,866,696	25.13%
2003	3,850,565	1,526,968	5,377,533	1.34	21,608,211	24.89%
2004	4,242,606	1,425,531	5,668,137	1.32	23,292,660	24.33%
2005	4,488,998	1,428,914	5,917,912	1.32	24,214,469	24.44%
2006	5,021,849	1,432,570	6,454,419	1.51	26,915,825	23.98%
2007	5,185,697	1,438,517	6,624,214	1.51	27,709,503	23.91%
2008	5,512,212	1,771,702	7,283,914	1.46	30,428,778	23.94%
2009	5,808,887	1,578,677	7,387,564	1.47	30,951,663	23.87%
2010	5,589,605	1,507,749	7,097,354	1.47	29,696,884	23.90%

Source: Original data was obtained from aggregate assessed valuation reports certified by each county clerk and on file with the State of Missouri and the Statistical Data Section of the City of Kansas City, Missouri Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2010.

Property Tax Levies and Collections

Tax Collection Procedure. The City is required by law to prepare an annual budget, which includes an estimate of the amount of revenues to be received from all sources for the budget year. The budget must also include proposed expenditures and must state the amount required for the payment of interest, amortization and redemption charges on the City's general obligation debt for the ensuing budget year.

City real estate taxes, other than for railroads and utilities, for property located in Clay County are collected by the City Treasurer. City real estate taxes for property located in Cass, Platte, and Jackson Counties are collected by the County Collector of Revenues in those Counties, who disburse such revenue to the City Treasurer. Property tax revenue collected by the City is due and payable on the first day of November and delinquent after December 31 of the year in which levied. Interest at the rate of one percent per month attaches on November 1 and each month, or part thereof, thereafter to the date of payment. Other real estate taxes as noted above and personal property taxes are due and payable to the Counties and State on November 1 and become delinquent after December 31 of the year in which they are levied.

Tax Rates. The following table shows the City's tax levies per \$100 of assessed valuation over the past ten years:

DIRECT AND OVERLAPPING PROPERTY TAX RATES

Fiscal Year	City Direct Rates					Overlapping Rates		
	General	Health	Debt and Interest	Museum	Total Direct Tax Rate ⁽¹⁾	Jackson County	Clay County	Platte County
2001	0.6700	0.4900	0.1700	0.0200	1.3500	7.8330	6.6530	6.7670
2002	0.6700	0.4900	0.1400	0.0200	1.3200	7.8130	6.8810	6.7440
2003	0.6800	0.5000	0.1400	0.0200	1.3400	7.8330	7.1000	6.8120
2004	0.6692	0.4872	0.1400	0.0195	1.3159	7.7879	7.1549	6.6489
2005	0.6713	0.4887	0.1400	0.0196	1.3196	7.7499	7.2684	6.9608
2006	0.6519	0.6946	0.1400	0.0190	1.5055	7.9089	8.0109	7.1046
2007	0.6519	0.6946	0.1400	0.0190	1.5055	7.9101	8.0144	7.0947
2008	0.6320	0.6728	0.1400	0.0184	1.4632	7.8368	8.2323	6.8183
2009	0.6342	0.6751	0.1400	0.0185	1.4678	7.8748	8.2383	6.8198
2010	0.6342	0.6751	0.1400	0.0185	1.4678	7.9131	8.2496	6.8723

(1) In addition to this total, there are special levies on assessed value of land exclusive of improvements of \$0.50 per \$100 for park maintenance and \$0.25 per \$100 for trafficway maintenance and a boulevard tax of \$1.00 per front foot.

Sources: Division of Accounts and Treasury Division, Finance Department, City of Kansas City, Missouri.

The tax rate for municipal operating purposes cannot exceed \$1.00 per \$100 assessed valuation; in fiscal year 2010, the City levied 63.42 cents of this limit. The City levies an annual tax for the purpose of operating hospitals and public health facilities. In 2010, the City levied 46.13 cents per \$100 assessed valuation, plus an additional 21.38 cents per \$100 assessed valuation for a temporary nine (9) year health levy approved by the voters on April 5, 2005. For museum purposes in fiscal year 2010, the City levied 1.85 cents of the statutory maximum 10 cents per \$100 assessed valuation. There is no legal limitation on the tax rate for the payment of principal and interest on municipal bonded debt. In fiscal year 2010, the City levied 14 cents per \$100 assessed valuation.

A Missouri constitutional amendment limiting taxation and government spending, limits the rate of growth of the total amount of taxes which may be imposed in any fiscal year. The limit may not be exceeded without a majority vote. Provisions are included in the amendment for rolling back levy rates to produce an amount of revenue equal to that of the previous year. The assessed valuations of new construction, new personal property, and newly annexed areas are exempt from this limitation.

Tax Collection Record. The following table sets forth tax collection information for the last ten fiscal years:

PROPERTY TAX LEVIES AND COLLECTIONS

Fiscal Year	Taxes Levied For the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage
2001	65,588,925	60,564,786	92.34%	4,681,470	65,246,256	99.48
2002	67,837,113	62,197,047	91.69%	4,439,975	66,637,022	98.23
2003	65,411,940	63,723,322	97.42%	3,640,763	67,364,085	102.98
2004	72,536,445	67,045,603	92.43%	4,880,766	71,926,369	99.16
2005	75,493,396	67,963,294	90.03%	6,504,181	74,467,475	98.64
2006	92,577,050	86,679,031	93.63%	4,318,080	90,997,111	98.29
2007	94,118,747	87,318,173	92.77%	5,288,089	92,606,262	98.39
2008	99,772,803	94,242,910	94.46%	4,902,678	99,145,588	99.37
2009	104,701,745	92,373,937	88.23%	3,530,584	95,904,521	91.60
2010	99,225,093	90,967,305	91.68%	7,569,152	98,536,457	99.31

Sources: The Treasury Division, Finance Department and the Statistical Data Section of the City of Kansas City, Missouri Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2010.

Principal taxpayers for fiscal year 2010 shown in the following table:

CITY OF KANSAS CITY, MISSOURI				
TOP TEN TAXPAYERS				
			Assessed	Percent
Taxpayer	Type of Business		Value	of Valuation (1)
Kansas City Power & Light	Electrical Utility		119,035,706	1.68%
Hallmark / Crown Center	Greeting Card, Retail Sales		76,289,547	1.07%
AT&T	Telecommunications		40,239,729	0.57%
Ameristar Casino Kansas City	Gaming		36,557,820	0.52%
JC Nichols & Highwoods Realty Limited	Real Estate		36,557,820	0.52%
DST Systems	Computer Software Services		26,090,479	0.37%
IBM Credit LLC	Computer Software Services		22,952,582	0.32%
Zona Rosa Development LLC	Real Estate		22,785,750	0.32%
Hunt Midwest Real Estate Development	Real Estate		22,785,750	0.32%
Harley Davidson Motor Company	Motor Vehicles		17,388,706	0.25%
			\$420,683,889	5.93%
(1) The total assessed valuation for fiscal year 2010 is \$7,097,353,897.				

Sources: Division of Accounts and Treasury Division, Finance Department, City of Kansas City, Missouri.

CASH MANAGEMENT, RISK MANAGEMENT, AND PENSION PLANS

Cash Management

The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. The City maintains pooled and restricted investments in accordance with state law, the City Charter, the Code of Ordinances and the City's Investment Policy.

The investment portfolio at carrying value, excluding pensions and trusts, totaled \$869,035,712 on April 30, 2010, and was distributed in the following instruments:

Collateralized Money Market Account	\$ 25,004,910
Collateralized Certificates of Deposit	5,250,000
U.S. Treasury Obligations	162,386,059
U.S. Agencies	<u>676,394,743</u>
	\$869,035,712

The weighted average yield on these investments as of April 30, 2010 was 2.52 percent. Total earnings from investments were \$17,692,129, a 38.2 percent decrease from the prior Fiscal Year 2009.

Source: Treasury Division, Finance Department, City of Kansas City, Missouri.

Risk Management (Property and Liability Coverage)

The City maintains all risk property insurance for property damage claims related to City buildings and contents, including Aviation Department property. The City also provides insurance for employee fraud, public official and notary bonding, a tenant and user policy for special events, excess general liability insurance, and excess workers' compensation claims.

The City purchases commercial insurance for buildings, together with their contents. The City pays an annual premium and assumes a \$150,000 deductible. The policy is renewable annually.

Boilers and machinery owned by the City are insured in the amount of \$750,000,000 with a per occurrence deductible of \$150,000.

The City is afforded governmental tort immunity pursuant to Section 537.600, RSMo. However, this state statute specifically waives the City's immunity for damages resulting from its negligence arising out of the operation of a motor vehicle and damages caused by the dangerous condition of its property. The City's liability for these damages cannot exceed the maximum amounts established in Section 537.610, RSMo, which are \$378,814 per person and \$2,525,423 per occurrence.

Therefore, the City has adopted a risk management program with regard to third party claims for damage and loss. This program would apply to any third party claims for damage or loss based on the negligence of the City or of its employees, officers and agents. The City has a retained risk fund to satisfy claims. Any third party loss exceeding the fund assets would be paid by appropriation passed by the City Council.

Employee Retirement and Pension Plans

The City has two contributory defined benefit pension plans, the Employees' Retirement System and the Firefighters' Pension System (the "Plans"), covering substantially all employees. Contributions to the Plans are made by the City and covered employees. The contributions are calculated to fund normal cost and amortization of unfunded prior service costs. The City receives annual actuarial reports on the present value of accumulated plan benefits and net assets available for benefits.

Historical trend information for the pension systems is as follows (in millions of dollars):

Funding Progress				Employer Contributions		
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liability	Funded Ratio	Plan Year Ended April 30	Annual Required City Contributions	Percentage Contributed
<u>Employees' Retirement System</u>						
5/1/2001	623.2	573.3	108.7%	2001 (1)	8.1	100%
5/1/2002	634.0	630.7	100.5%	2002	9.1	96.25
5/1/2003	624.9	707.5	88.3%	2003	14.0	66.3%
5/1/2004	627.1	740.2	84.7%	2004	20.0	60.4%
5/1/2005	645.6	781.9	82.6%	2005	23.4	63.3%
5/1/2006	745.7	800.8	93.1%	2006	25.8	68.1%
5/1/2007	823.0	847.4	97.1%	2007	17.7	104.8%
5/1/2008	873.7	934.3	93.5%	2008	15.6	128.1%
5/1/2009	704.1	966.8	72.8%	2009	19.4	105.0%
5/1/2010	749.6	994.8	75.3%	2010	29.6	64.8%
				2011	27.8	Not Available

Funding Progress				Employer Contributions		
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liability	Funded Ratio	Plan Year Ended April 30	Annual Required City Contributions	Percentage Contributed
<u>Firefighters' Pension System</u>						
5/1/2001	314.4	334.8	93.9%	2001 ⁽²⁾	7.0	100%
5/1/2002	313.6	358.7	87.4%	2002 ⁽²⁾	7.7	100%
5/1/2003	306.2	372.0	82.3%	2003 ⁽²⁾	8.2	100%
5/1/2004	318.8	384.2	83.0%	2004 ⁽²⁾	9.6	87.8%
5/1/2005	332.4	392.9	84.6%	2005 ⁽²⁾	9.8	89.1%
5/1/2006	381.4	434.0	87.9%	2006 ⁽²⁾	9.8	92.7%
5/1/2007	412.4	447.9	92.1%	2007 ⁽²⁾	9.4	100.5%
5/1/2008	447.2	478.7	93.4%	2008 ⁽²⁾	8.7	113.8%
5/1/2009	348.5	500.2	69.7%	2009 ⁽²⁾	9.5	108.9%
5/1/2010	435.4	516.6	84.3%	2010 ⁽²⁾	17.1	61.1%
				2011 ⁽²⁾	12.8	Not Available

- (1) For Plan year's ended April 30, 1999 through April 30, 2001, Annual Required Contributions are restated upwards from the figures previously presented in order to match Actual Contributions. This footnote applies only to the Employees' Retirement System.
- (2) Actual contributions are shown for plan years ended April 30, 2001 through April 30, 2003 since the effective amortization period is allowable by GASB. The annual required contribution for the plan years ended April 30, 2004 and beyond is based on a 30-year amortization period, which is allowable by GASB.

Sources:

- (1) Retirement Division, Human Resources Department, City of Kansas City, Missouri. Report prepared by Cheiron.

Note: Data for 5/1/2010 percentage contributed year ending 2010 for employer contribution is not yet available as of October 27, 2010.

Police & Civilian Employees' Retirement System

Two contributory defined benefit pension plans ("Plans") have been established by the Missouri General Assembly for the employees of the Kansas City, Missouri Police Department, the Police Retirement System of Kansas City, Missouri and the Civilian Employees' Retirement System of the Police Department of Kansas City, Missouri. The participating employees and the City of Kansas City, Missouri make contributions to the Plans. The Board of Trustees contract for annual actuarial valuations to determine the present value of accumulated plan benefits and net assets available for benefits. The contribution rates are calculated to fund normal costs and to amortize the unfunded actuarial accrued liability. The historical trend information for the pension systems is as follows (in millions of dollars):

Funding Progress				Employer Contributions		
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Funded Ratio	Fiscal Year Ended	Annual Required City Contribution	Percentage Contributed
Police Retirement System						
4/30/2001 ⁽²⁾	600.1	615.3	97.5%	2001	10.8	106%
4/30/2002 ⁽²⁾	620.9	648.6	95.7%	2002	10.8	104%
4/30/2003 ^{(1) (2)}	611.2	682.7	89.5%	2003	11.6	104%
4/30/2004 ⁽²⁾	603.4	712.3	84.7%	2004 ⁽¹⁾	15.1	85%
4/30/2005 ⁽²⁾	604.6	741.0	81.6%	2005	15.8	84%
4/30/2006 ⁽²⁾	635.6	775.3	82.0%	2006	19.0	72%
4/30/2007 ⁽²⁾	698.1	807.9	86.4%	2007	21.4	68%
4/30/2008 ⁽²⁾	742.1	850.8 ⁽⁴⁾	87.2%	2008	22.7	69%
4/30/2009 ⁽²⁾	641.2	893.6 ⁽⁴⁾	71.7%	2009	24.3	69% ⁽⁴⁾
4/30/2010 ⁽²⁾	722.5	915.5	78.9%	2010	23.6	70%
				2011	34.4	Not available
Civilian Employees' Retirement System						
4/30/2001 ⁽²⁾	61.9	62.1	99.7%	2001 ⁽⁵⁾	1.3	102%
4/30/2002 ⁽²⁾	66.4	67.8	97.9%	2002	1.4	101%
4/30/2003 ^{(1) (2)}	68.2	83.0	82.1%	2003	1.8	89%
4/30/2004 ^{(2) (3)}	69.9	89.1	78.4%	2004 ⁽¹⁾	2.9	54%
4/30/2005 ⁽²⁾	72.4	97.1	74.5%	2005	3.1	52%
4/30/2006 ⁽²⁾	78.8	105.9	74.4%	2006 ⁽³⁾	3.5	62%
4/30/2007 ⁽²⁾	89.1	110.4	80.7%	2007	3.9	70%
4/30/2008 ⁽²⁾	98.0	117.6	83.3%	2008	4.2	80%
4/30/2009 ⁽²⁾	86.3	125.0	69.1%	2009	4.3	80%
4/30/2010 ⁽²⁾	100.5	131.2	76.6%	2010	4.0	83%
				2011	5.4	Not Available

- (1) After changes in actuarial assumptions or methods.
- (2) For valuation years 2001 and prior, and 2007 and later valuation, payroll includes projected salary increases for year following valuation. For valuation years 2002 through 2006, valuation payroll is payroll reported in data after annualization of pays for new hires.
- (3) After changes in benefit provisions.
- (4) Rounding changes were made from previous data.
- (5) For year 2001, percent contributed are from prior actuary's report.

Sources: Police Retirement System of Kansas City, Missouri and Civilian Employee's Retirement System of the Police Department of Kansas City, Missouri.

In June 2004, the Governmental Accounting Standards Board ("GASB") issued Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. This statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers. Specifically, the City is required to measure and disclose an amount for annual OPEB cost on the accrual basis for health benefits that will be provided to retired employees in future years. The disclosure requirement for the City began with the fiscal year ending April 30, 2008.

The following table displays specific information from the City's two most recent OPEB actuarial reports:

OTHER POST EMPLOYMENT BENEFITS (OPEB)						
<i>(Amount Expressed in Thousands)</i>						
<u>Actuarial valuation date</u>	<u>(a) Actuarial value of assets</u>	<u>(b) Actuarial accrued liability (AAL) entry age</u>	<u>(b)-(a) Unfunded (assets in excess of) AAL (UAAL)</u>	<u>(a)/(b) Funded ratio</u>	<u>(c) Covered payroll</u>	<u>[(b)-(a)]/(c) UAAL as a percentage of covered payroll</u>
<i>City of Kansas City - Employee/Firefighter Other Post Employment Benefits</i>						
4/30/06	\$ -	150,376	150,376	- %	\$ 193,387	77.76 %
4/30/08	-	208,612	208,612	-	221,036	94.38 %

The Employee/Firefighter annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the fiscal years indicated were as follows:

Schedule of Employer Contributions			
<i>(In thousands)</i>			
<u>Fiscal year ending</u>	<u>Annual OPEB cost (AOC)</u>	<u>Percentage of AOC contributed</u>	<u>Net OPEB (obligation)</u>
4/30/2008	\$ 16,017	13%	\$ (13,916)
4/30/2009	21,988	15 %	(32,504)
4/30/2010	21,336	16%	(50,440)

Note: The Police Department's management determined that the methodology used by the Actuary in preparing the April 30, 2006 OPEB actuarial valuation was not consistent with those used in the April 30, 2008 OPEB actuarial report. As part of the April 30, 2008 actuarial valuation, it was determined that amounts charged to retirees in the aggregate were in excess of the cost of the implicit rate subsidy, as determined by the actuarial methods described under Actuarial Methods and Assumptions. The April 30, 2006 OPEB actuarial report has been revised to be consistent with the April 30, 2008 report. Accordingly, the Police Department had neither an OPEB obligation per the revised 2006 report or 2008 actuarial report nor OPEB cost nor net OPEB obligations to the Police Department as of April 30, 2010.

For additional information regarding the Kansas City, Missouri OPEB, please refer to the City's 2010 Comprehensive Annual Financial Information Report.

Source: Note Disclosures and Required Supplementary Information Section of the City of Kansas City, Missouri Comprehensive Annual Financial Report for Fiscal Year ended April 30, 2010.

DEBT INFORMATION

Debt Structure of the City

General Obligation Bonds. The City is authorized to issue general obligation bonds payable from ad valorem taxes to finance capital improvements upon a four-sevenths (4/7) majority vote of qualified voters at the general municipal election day, primary or general elections and a two-thirds (2/3) majority vote at all other elections. At the general election on April 6, 2004, voters authorized the issuance of \$300,000,000 in General Obligation Bonds. Of that amount, voters approved: 1) \$250,000,000 for the purpose of paying for deferred maintenance and basic capital infrastructure such as streets, bridges, catch basins and other capital projects, 2) \$30,000,000 for the purpose of paying for deferred maintenance and capital infrastructure and improvements for the Kansas City Zoological Garden, and 3) \$20,000,000 for the purpose of paying for capital improvements for the World War I Museum Project at Liberty Memorial Museum Project, which includes the construction, acquisition, renovation, equipping, furnishing and other costs for the museum, exhibits, library and educational facilities.

Neighborhood Improvement District Bonds. The City may also issue certain neighborhood improvement district (“NID”) bonds without a vote and these bonds are payable as to both principal and interest from special assessments against real property benefitted by the acquisition and construction of improvement and, if not so paid, from current income and revenues and surplus funds of the City. The City indebtedness of NID bonds shall be treated equally as general obligation indebtedness, except that the City is not authorized to impose any new or increased ad valorem property tax to pay principal and interest on the NID bonds without voter approval.

As of April 30, 2010 (fiscal year end), the City had an outstanding total aggregate principal amount of \$309,785,000 of general obligation bonds, which includes the outstanding balance of \$475,000 Neighborhood Improvement District Bonds. The remaining general obligation voted authority is \$71,800,000.

Revenue Bonds, Notes and Loans. Other than refunding bonds, the City’s general obligation and revenue bonds require a vote of the electorate. All revenue bonds issued by the City are payable out of the revenues derived from the operation of the facility that is financed from the proceeds of such bonds. Revenue bonds do not carry the full faith and credit of the City in servicing the bonded indebtedness and such bonds are not considered in determining the legal debt margin.

As of April 30, 2010, the City had an outstanding total of \$833,286,169 aggregate principal amount of revenue bonds which includes \$257,386,569 in water revenue bonds and lease purchase agreements, \$238,550,000 in sewer revenue bonds, \$223,915,000 in airport revenue bonds and \$108,485,000 in airport passenger facility charge revenue bonds. To match funds from grants for storm water projects, the City entered into loans with the Missouri Department of Natural Resources (“MDNR”). As of April 30, 2010, the City had an outstanding balance of \$4,949,600 aggregate principal amount of MDNR storm loans.

As of April 30, 2010, the City had remaining voted authority for \$240,416,000 in airport revenue bonds, \$156,090,000 in water revenue bonds, \$124,520,000 in sewer bonds and \$5,000,000 in museum revenue bonds.

Lease Revenue Bonds and Equipment Leases. The City may enter into financing arrangements for building projects through lease-leaseback purchase agreements with not-for-profit corporations or bond issuing authorities, which may issue tax-exempt bonds without voter approval to finance City projects. The City has financed several projects through the Kansas City Municipal Assistance Corporation (“KCMAC”). The City makes annual lease payments under these lease arrangements in an amount required to pay debt service on the bonds. The City's obligations under these leases are subject to annual appropriation and must be budgeted each year and do not constitute an indebtedness of the City beyond the current lease term. As of April 30, 2010, the City had capital leases pursuant to such arrangements outstanding at total aggregate principal of \$244,376,041.

From time to time, the City enters into lease purchase agreements for real property and equipment, such as the purchase of land, buildings, communications equipment, vehicles, and computer hardware. As of April 30, 2010, the City had an outstanding aggregate principal total of \$42,169,977 of such equipment leases.

After April 30, 2010, the following Lease Purchase Agreement was issued:

Issue Date	Lease	Par Amount
June 16, 2010	Municipal Court System	\$ 3,128,485

Limited Obligation Notes and Bonds. As of April 30, 2010, the City had outstanding a total of \$966,700,363 aggregate principal in limited obligation bonds and notes that do not constitute an indebtedness of the City. The City has agreed, subject to annual appropriation, to pay any debt service on two (2) separate bond series issued by the Planned Industrial Expansion Authority of Kansas City to finance improvements of Kemper Arena and 300 Wyandotte Parking Garages. These series have an outstanding total aggregate principal balance of \$18,795,000.

As of April 30, 2010, lease revenue bonds issued by the Land Clearance for Redevelopment Authority ("LCRA") were outstanding at a total of \$24,190,000 principal which is for the Series 2005E Bonds which refinanced the Series 1995A Municipal Auditorium and Muehlebach Hotel Redevelopment Projects and provided new monies for the Auditorium Plaza Garage. The LCRA bonds are secured by an annual appropriation pledge of the City.

The City currently has eight (8) series of leasehold revenue bonds under the Industrial Development Authority of Kansas City, Missouri ("IDA"). The total bonds outstanding as of April 30, 2010, are \$351,590,000; this includes the Series 2001 Bonds issued to finance the Century Towers Redevelopment Project, which has an outstanding balance of \$15,440,000. In addition, the Series 2005A & B and 2006A & B, issued to finance the City's Downtown Redevelopment District, have outstanding balances of \$178,025,000 and \$115,635,000, respectively, as of April 30, 2010. The Civic Mall Project's balance is \$4,060,000 and the Midtown and Uptown Redevelopment have a balance of \$38,430,000. All of the IDA's bonds have an annual appropriation pledge of the City.

The Tax Increment Financing Commission of Kansas City, Missouri ("TIFC") has issued bonds on behalf of the City. As of April 30, 2010, Blue Parkway Town Center Retail Project has a outstanding balance of \$15,085,000.

As of April 30, 2010, the Special Obligation Bonds and Notes issued by the City have an outstanding balance of \$500,511,704. This includes the \$24,735,000 outstanding balance of the Series 2008A, which is comprised of the following projects: \$5,265,000 for the Refunding KCMAC Hodge Park Series 1998A, \$2,010,000 for the Swope Ridge Geriatric Center, \$1,145,000 for the Second Street Streetscape Project, \$13,490,000 for the Tow Lot Project and \$2,825,000 for the Columbus Park Project. The aforementioned balance also includes the East Village Project, Series 2008B with a balance of \$29,310,000 as of April 30, 2010, the Arena 2008C & D with a balance of \$201,315,000 and \$15,790,000, as of April 30, 2010, the Bartle Hall Bonds, Series 2008E and F with balances of \$81,400,000 and \$20,865,000, respectively, the 909 Walnut Bonds, Series 2009A with a balance of \$7,275,000, the President Hotel Bonds, Series 2009B with a balance of \$17,015,000, Chouteau I-35 Bonds, Series 2009C and D \$11,715,000. The Special Obligation 2009E Performance Art Center bonds have an outstanding balance of \$53,236,704. The outstanding balance for the Special Obligation 2010A Bonds East Village Project is \$5,615,000. The outstanding balances of the Special Obligation 2010B and 2010C bonds, which refunded various bonds and financed the debt service reserve for LCRA 2005, are \$19,880,000 and \$12,360,000, respectively. The Special Obligation Bonds are secured by an annual appropriation of the City.

In relation to the East Village Project, the City has entered into a note with J E. Dunn which has an outstanding balance of \$10,670,754.

On August 1, 2005, the City issued special facility revenue bonds to fund the Kansas City International Airport Overhaul Base project. The bonds were issued under the August 2000 airport revenue bonds authorization. The bonds are special limited obligations of the City from certain lease revenues, sales tax revenues and the Extension and Bond Retirement Account of the Airport Fund. Subject to annual appropriation, the bonds are also payable from the other funds of the City. As of April 30, 2010, the outstanding balance is \$29,275,000.

Missouri Transportation Finance Corporation ("MTFC") Loans. The City entered into a direct loan agreement with MTFC for \$10,000,000. Loan proceeds will be used for the construction of a new Paseo Bridge. MTFC will disburse the funds to the City in five (5) annual installments. As of April 30, 2010, the City has received \$4 million with a balance of \$5,467,905.

Finally, the City entered into two (2) leases with the Housing Urban Development Department for the 18th and Vine District and Beacon Hill housing project. The balance as of April 30, 2010 is \$11,115,000.

Tax and Revenue Anticipation Notes. At the present time the City has no tax and revenue anticipation notes outstanding and has no plans to issue such notes in the immediate future.

Source: Treasury Division, Finance Department, City of Kansas City, Missouri.

Debt Service Requirements

The following debt service tables show the principal and interest requirements for each respective fiscal year for City's outstanding debt as of October 27, 2010.

PRINCIPAL AND INTEREST REQUIREMENTS ON OUTSTANDING OBLIGATIONS AS OF OCTOBER 27, 2010

Fiscal Year	Outstanding Long-Term General Obligation Bonds			% of Principal Retired
	Principal	Interest	Total	
2011	14,680,000	14,464,136	29,144,136	
2012	14,400,000	14,208,238	28,608,238	
2013	17,135,000	13,545,570	30,680,570	
2014	18,470,000	12,744,920	31,214,920	
2015	19,655,000	11,852,668	31,507,668	27.23%
2016	20,950,000	10,948,233	31,898,233	
2017	22,125,000	9,970,755	32,095,755	
2018	15,030,000	8,924,465	23,954,465	
2019	16,135,000	8,237,088	24,372,088	
2020	17,320,000	7,446,948	24,766,948	56.78%
2021	18,565,000	6,639,330	25,204,330	
2022	19,870,000	5,751,620	25,621,620	
2023	20,310,000	4,767,675	25,077,675	
2024	19,420,000	3,753,573	23,173,573	
2025	16,675,000	2,776,168	19,451,168	87.40%
2026	14,670,000	1,952,250	16,622,250	
2027	15,415,000	1,218,750	16,633,750	
2028	8,960,000	448,000	9,408,000	
	<u>309,785,000</u>	<u>\$ 139,650,384</u>	<u>\$ 449,435,384</u>	100.00%

- (1) Interest payments are shown on gross basis; no deduction has been made for expected federal interest subsidy payments for Series 2010B Build America Bonds.

* Note: Debt service in the above table represents amount due for the whole Fiscal Year.

Fiscal Year	Outstanding Long-Term Debt PFC and Airport Revenue Bonds			% of Principal Retired
	Principal	Interest	Total	
2011	18,645,000	15,961,764	34,606,764	
2012	19,555,000	15,007,140	34,562,140	
2013	20,245,000	14,044,864	34,289,864	
2014	25,270,000	12,949,358	38,219,358	
2015	26,455,000	11,715,435	38,170,435	33.14%
2016	27,410,000	10,395,831	37,805,831	
2017	28,710,000	8,983,455	37,693,455	
2018	30,095,000	7,506,955	37,601,955	
2019	24,545,000	6,182,153	30,727,153	
2020	16,215,000	5,219,858	21,434,858	71.34%
2021	17,025,000	4,407,041	21,432,041	
2022	12,135,000	3,700,643	15,835,643	
2023	12,740,000	3,107,538	15,847,538	
2024	13,380,000	2,482,508	15,862,508	
2025	14,045,000	1,823,625	15,868,625	92.20%
2026	14,755,000	1,130,630	15,885,630	
2027	5,455,000	401,256	5,856,256	
2028	5,720,000	135,850	5,855,850	
	<u>\$ 332,400,000</u>	<u>\$ 125,155,901</u>	<u>\$ 457,555,901</u>	100.00%

This debt service schedule does not include the Special Facility Airport Revenue Bonds Series 2005G. They are included under the table, "Outstanding Long-Term Debt Other Limited Obligations Notes and Bonds" on page C-30.

* Note: Debt service in the above table represents amount due for the whole Fiscal Year.

Fiscal Year	Outstanding Long-Term Debt			% of
	Water Revenue Bonds and Lease Purchase Agreements			Principal
	Principal	Interest	Total	Retired
2011	16,539,099	11,256,530	27,795,629	
2012	17,384,536	10,590,416	27,974,952	
2013	16,435,341	9,902,181	26,337,522	
2014	16,956,293	9,348,103	26,304,396	
2015	17,732,596	8,663,596	26,396,191	33.04%
2016	15,649,461	7,970,196	23,619,657	
2017	16,307,109	7,278,402	23,585,511	
2018	15,713,960	6,564,939	22,278,899	
2019	14,916,357	5,868,791	20,785,147	
2020	14,006,818	5,180,493	19,187,310	62.80%
2021	12,540,000	4,606,632	17,146,632	
2022	11,220,000	3,986,279	15,206,279	
2023	11,655,000	3,523,982	15,178,982	
2024	10,965,000	2,948,508	13,913,508	
2025	9,320,000	2,414,749	11,734,749	84.44%
2026	5,850,000	1,983,497	7,833,497	
2027	6,120,000	1,707,832	7,827,832	
2028	6,500,000	1,419,440	7,919,440	
2029	3,900,000	1,113,188	5,013,188	
2030	4,085,000	927,938	5,012,938	94.72%
2031	4,300,000	713,475	5,013,475	
2032	4,525,000	487,725	5,012,725	
2033	4,765,000	250,163	5,015,163	
	\$ 257,386,569	\$ 108,707,053	\$ 366,093,622	100.00%

* Note: Debt service in the above table represents amount due for the whole Fiscal Year.

Fiscal Year	Outstanding Long-Term Debt Sanitary Sewer Revenue Bonds			% of Principal Retired
	Principal	Interest	Total	
2011	13,679,400	10,689,154	24,368,554	
2012	14,489,900	10,267,041	24,756,941	
2013	14,235,000	9,639,773	23,874,773	
2014	14,710,500	8,977,143	23,687,643	
2015	15,111,200	8,284,774	23,395,974	30.28%
2016	14,152,300	7,558,093	21,710,393	
2017	12,633,800	6,883,447	19,517,247	
2018	11,665,700	6,297,566	17,963,266	
2019	12,093,000	5,780,698	17,873,698	
2020	11,805,600	5,238,585	17,044,185	56.41%
2021	11,778,600	4,699,629	16,478,229	
2022	10,667,100	4,198,305	14,865,405	
2023	10,096,000	3,722,356	13,818,356	
2024	8,745,300	3,317,087	12,062,387	
2025	7,660,000	2,926,040	10,586,040	76.93%
2026	6,135,100	2,573,245	8,708,345	
2027	6,395,800	2,294,024	8,689,824	
2028	6,676,800	2,012,892	8,689,692	
2029	6,973,400	1,718,816	8,692,216	
2030	7,055,500	1,411,036	8,466,536	90.87%
2031	6,355,000	1,099,219	7,454,219	
2032	6,670,000	787,456	7,457,456	
2033	4,270,000	460,163	4,730,163	
2034	4,495,000	235,988	4,730,988	
	<u>\$ 238,550,000</u>	<u>\$ 111,072,529</u>	<u>\$ 349,622,529</u>	100.00%

- (1) The City participated in the State of Missouri Direct Loan Program and purchased its \$16,000,000 Sewage System State Revolving Fund (“SRF”) Bonds. The outstanding principal is based on the City’s total reimbursement draws. The numbers above assume the City will draw all of the \$16 million. The interest column includes the Department of Natural Resources administrative fee on the loan. Previously issued SRF Bonds reflect gross interest costs.

* Note: Debt service in the above table represents amount due for the whole Fiscal Year.

Fiscal Year	Outstanding Long-Term Debt Storm Water Loan			% of Principal Retired
	Principal	Interest	Total	
2011	370,900	78,847	449,747	
2012	378,000	72,889	450,889	
2013	383,100	66,825	449,925	
2014	389,200	60,678	449,878	
2015	396,300	54,426	450,726	38.74%
2016	402,500	48,068	450,568	
2017	408,600	41,609	450,209	
2018	415,800	35,045	450,845	
2019	422,000	28,373	450,373	
2020	428,200	21,601	449,801	80.71%
2021	434,600	14,722	449,322	
2022	353,000	7,749	360,749	
2023	27,000	2,155	29,155	
2024	28,000	1,770	29,770	
2025	28,000	1,378	29,378	98.29%
2026	29,000	979	29,979	
2027	29,000	573	29,573	
2028	26,400	185	26,585	
	<u>\$ 4,949,600</u>	<u>\$ 537,868</u>	<u>\$ 5,487,468</u>	100.00%

* Note: Debt service in the above table represents amount due for the whole Fiscal Year.

Fiscal Year	Outstanding Long-Term Debt MTFC Loan			% of Principal Retired
	Principal	Interest	Total	
2011	590,348	229,652	820,000	
2012	866,829	288,857	1,155,686	
2013	1,203,247	336,451	1,539,698	
2014	1,253,783	285,914	1,539,698	
2015	1,306,442	233,255	1,539,698	55.14%
2016	1,361,313	178,385	1,539,698	
2017	1,418,488	121,210	1,539,698	
2018	1,467,455	61,633	1,529,089	
	<u>\$ 9,467,905</u>	<u>\$ 1,735,357</u>	<u>\$ 11,203,263</u>	100.00%

(1) The Missouri Transportation Finance Commission will disburse the funds to the City in five installment payments of \$2,000,000 each. As of October 27, 2009, the City has received three (3) of the five (5) installment payments. The above table assumes all of the \$10 million will be received by the City.

* Note: Debt service in the above table represents amount due for the whole Fiscal Year.

Outstanding Long-Term Debt
KCMAC Leasehold Revenue Bonds

Fiscal Year	Principal	Interest ⁽¹⁾	Total	% of Principal Retired
2011	14,025,000	8,479,579	22,504,579	
2012	15,805,000	7,865,861	23,670,861	
2013	13,285,000	7,105,201	20,390,201	
2014	14,190,000	6,491,989	20,681,989	
2015	15,125,000	5,833,014	20,958,014	29.64%
2016	17,965,000	5,126,576	23,091,576	
2017	15,365,000	4,277,151	19,642,151	
2018	15,665,000	3,534,533	19,199,533	
2019	23,120,000	2,776,783	25,896,783	
2020	19,555,000	1,644,738	21,199,738	67.15%
2021	11,038,183	9,079,761	20,117,944	
2022	11,043,451	9,718,137	20,761,588	
2023	10,749,498	10,390,259	21,139,756	
2024	7,209,817	9,643,627	16,853,444	
2025	1,080,000	95,119	1,175,119	83.98%
2026	7,708,309	13,305,910	21,014,219	
2027	6,421,104	14,218,896	20,640,000	
2028	6,326,780	15,143,220	21,470,000	
2029	6,233,252	16,101,748	22,335,000	
2030	6,105,467	17,114,533	23,220,000	97.40%
2031	6,010,211	18,139,790	24,150,000	
2032	349,971	1,140,029	1,490,000	
	<u>\$ 244,376,041</u>	<u>\$ 187,226,452</u>	<u>\$ 431,602,493</u>	100.00%

* Note: Debt service in the above table represents amount due for the whole Fiscal Year.

Outstanding Long-Term Debt
Lease Purchase Agreements

Fiscal Year				% of Principal Retired
	Principal	Interest	Total	
2011	10,992,593	1,485,671	12,478,264	
2012	10,304,219	1,084,034	11,388,253	
2013	8,960,197	726,503	9,686,701	
2014	7,299,819	405,829	7,705,649	82.91%
2015	4,558,261	194,062	4,752,322	
2016	1,949,453	74,377	2,023,831	
2017	1,233,919	18,944	1,252,863	
	<u>\$ 45,298,462</u>	<u>\$ 3,989,421</u>	<u>\$ 49,287,882</u>	100.00%

* Note: Debt service in the above table represents amount due for the whole Fiscal Year.

Outstanding Long-Term Debt
Other Limited Obligation Notes and Bonds

Fiscal Year	Principal	Interest ⁽¹⁾	Total ⁽¹⁾⁽²⁾	% of Principal Retired
2011	20,739,998	44,361,646.98	65,101,645	
2012	25,726,075	43,914,197.05	69,640,272	
2013	28,597,591	43,112,606.70	71,710,198	
2014	28,038,801	41,620,953.70	69,659,755	
2015	31,306,378	40,361,782.95	71,668,160	13.98%
2016	30,185,823	38,956,324.49	69,142,147	
2017	30,265,271	37,568,756.44	67,834,028	
2018	37,173,928	39,307,134.90	76,481,063	
2019	41,487,563	38,111,233.17	79,598,796	
2020	47,649,139	37,011,859.21	84,660,998	33.41%
2021	39,989,551	35,087,205.00	75,076,756	
2022	39,934,689	33,586,714.46	73,521,403	
2023	33,569,904	32,598,134.62	66,168,039	
2024	35,941,327	31,367,381.59	67,308,708	
2025	52,861,639	29,999,562.34	82,861,201	54.46%
2026	35,604,427	27,708,517.30	63,312,944	
2027	37,646,846	26,290,944.52	63,937,790	
2028	41,074,084	24,760,233.01	65,834,317	
2029	38,484,425	27,060,823.51	65,545,248	
2030	36,830,000	14,389,598.50	51,219,599	74.19%
2031	37,020,000	12,571,813.76	49,591,814	
2032	45,955,000	10,805,453.50	56,760,454	
2033	46,350,000	8,516,942.82	54,866,943	
2034	39,850,000	6,265,290.76	46,115,291	
2035	11,300,000	4,252,272.76	15,552,273	92.96%
2036	12,045,000	3,649,479.00	15,694,479	
2037	12,830,000	3,006,745.76	15,836,746	
2038	13,515,000	2,321,752.50	15,836,753	
2039	14,240,000	1,599,489.00	15,839,489	
2040	15,020,000	821,445.00	15,841,445	100.00%
	<u>\$ 961,232,458</u>	<u>\$ 740,986,295</u>	<u>\$ 1,702,218,753</u>	100.00%

(1) The "Interest Column" includes nine (9) variable rate demand (VRDO) tax-exempt and taxable bonds. Future interest rates on these bonds were base on an all-in estimate interest rate of 4.5% to 5.5% and 4.75% to 4.98% for tax-exempt and taxable VRDO bonds, respectively. The rates include LOC, remarketing, surveillance and other fees. Rate assumptions are for illustration purposes and actual rates will vary.

(2) The Special Facility Airport Revenue Bonds, Series 2005G, which has an annual appropriation of the City, is included in the above total.

* Note: Debt service in the above table represents amount due for the whole Fiscal Year.

Authority

The following table summarizes the City's total bond authority as of October 27, 2010:

AUTHORIZED UNISSUED DEBT (Amounts Expressed in Thousands)

Authorized				
Type/Purpose	Date	Amount	Amount Issued	Total Unissued
<u>General Obligation Bonds:</u>				
Deferred Maintenance and Capital Infrastructure	April 6, 2004	\$250,000	\$182,700	\$67,300
KC Zoological Garden	April 6, 2004	30,000	25,500	4,500
Liberty Memorial Museum	April 6, 2004	20,000	20,000	0
Subtotal		\$300,000	\$228,200	\$71,800
<u>Revenue Bonds:</u>				
Kansas City Museum	Mar. 8, 1988	5,000	0	5,000
Airport	Aug. 8, 2000	395,000	154,584	240,416
Water System	Aug. 6, 1996	150,000	150,000	0
Water System	Aug. 2, 2005	250,000	93,910	156,090
Sewer	Aug.2, 2005	250,000	125,480	124,520
Subtotal		\$1,050,000	\$523,974	\$526,026
TOTAL		\$1,350,000	\$752,174	\$597,826

Source: Treasury Division, Finance Department, City of Kansas City, Missouri.

History of Indebtedness

The following tables set forth the general bonded debt information pertaining to the City as of the end of the last ten fiscal years.

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

(Amounts Expressed In Thousands)

Fiscal Year	General Obligation Bonds	Other Bonds and Leases ⁽¹⁾	Total	Percentage of Actual Taxable Value ⁽¹⁾ of Property	Per Capita
2001	164,365	425,509	589,874	2.88%	1,324
2002	164,150	476,164	640,314	2.93%	1,425
2003	153,990	481,388	635,378	2.94%	1,400
2004	161,955	498,020	659,975	2.83%	1,439
2005	242,020	1,048,257	1,290,277	5.33%	2,781
2006	228,130	1,110,637	1,338,767	4.97%	2,848
2007	289,725	1,235,918	1,525,643	5.51%	3,206
2008	311,325	1,248,317	1,559,642	5.13%	3,248
2009	294,100	1,210,235	1,504,335	4.86%	3,119
2010	309,785	1,253,247	1,563,032	5.26%	3,226

(1) Includes KCMAC leasehold revenue bonds, lease purchase agreements and other limited obligations. It also includes actual outstanding balances of bonds that were considered as "contingent liabilities" in the City of Kansas City, Missouri's CAFR for Fiscal Year 2009. It does include the Special Facility Airport Revenue Bonds, Series 2005G. The series 2005G was classified under business type activities in the CAFR. It does not include the DNR Loan for the Water Services Department.

Due to footnote (1), the numbers on this table do not match the numbers on Table 12 of the statistical section of the 2010 Comprehensive Annual Financial Report.

Note: The Debt per Capita may change from time to time due to periodic review of the population estimates by the U.S. Census Bureau.

Source: Treasury Division, Finance Department.

Direct and Overlapping Indebtedness

Other governmental entities whose boundaries overlap the City have outstanding bonds payable from ad valorem taxes. The following statements of direct and estimated overlapping ad valorem and other net direct debt were compiled from a survey of the various taxing districts.

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

April 30, 2010

	General obligation and other net direct debt	Percentage applicable to this municipality ⁽¹⁾	Municipality's share of debt
Direct debt:			
City of Kansas City	\$ 1,563,032,000 ⁽²⁾	100.0%	\$ 1,563,032,000
Overlapping debt:			
Clay County	15,770,531	47.9%	7,554,100
Jackson County	559,914,311	45.1%	252,521,400
Platte County	55,836,062	73.3%	40,927,800
Metropolitan Junior College District	96,406,495	55.2%	53,216,400
Platte County School Districts:			
A. Park Hill Reorganized No. 5	70,280,318	43.0%	30,220,500
B. Platte County Reorganized No. 3	76,963,051	40.0%	30,785,200
Clay County School Districts:			
C. Smithville No. 27	22,185,000	3.4%	754,300
D. North Kansas City No. 74	234,815,000	77.3%	181,512,000
E. Liberty No. 53	161,172,628	10.0%	16,117,300
Jackson County School Districts:			
F. Kansas City No. 33	51,830,000	93.0%	48,201,900
G. Raytown No. 2	90,780,000	45.0%	40,851,000
H. Independence No. 30	56,115,409	2.2%	1,234,500
I. Lee's Summit Reorganized No. 7	247,088,855	1.0%	2,470,900
J. Center No. 58	32,342,486	100.0%	32,342,500
K. Hickman Mills Consolidated No. 1	40,823,270	87.1%	35,557,100
L. Grandview Consolidated No. 4	37,042,735	49.1%	18,188,000
Total overlapping debt	\$ 1,849,366,151		792,454,900
Total direct and overlapping debt			\$ 2,355,486,900

(1) The percentage is derived by dividing the total assessed valuation of the taxing jurisdiction within Kansas City by the total assessed valuation of the taxing jurisdiction.

(2) This amount includes \$309,785,000 of general obligation bonds payable and \$1,253,247,000 of leasehold revenue bonds, lease purchase agreements, and limited obligation notes and bonds.

Note: The total debt outstanding number includes the Special Facility Airport Revenue Bonds, Series 2005G, which was classified under business type in the 2010 CAFR. Due to this, City's total direct debt does not match with the total direct and overlapping debt numbers in Table 13 of the 2010 CAFR.

LEGAL DEBT MARGIN OBLIGATION
LAST TEN FISCAL YEARS

		Fiscal year									
		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Assessed valuation for City, county, and state purposes	\$	5,185,768,000	5,495,416,000	5,377,533,000	5,668,137,000	5,917,911,512	6,454,419,000	6,624,214,000	7,283,914,645	7,387,564,000	7,097,354,000
Constitutional debt limit (1) (2)		1,037,154,000	1,099,083,200	1,075,506,600	1,133,627,400	1,183,582,302	1,290,883,800	1,324,842,800	1,456,782,929	1,477,512,800	1,419,470,800
General obligation bonds payable (3)		164,710,000	164,495,000	154,335,000	161,955,000	242,020,000	228,130,000	289,725,000	311,325,000	294,100,000	309,785,000
Less debt service fund balances available for retirement of bonds (4)		17,179,000	14,645,000	13,057,000	10,197,000	11,534,339	10,939,752	15,899,741	13,886,969	4,853,175	2,305,177
Total amount of bonds payable applicable to debt limit		147,531,000	149,850,000	141,278,000	151,758,000	230,485,661	217,190,248	273,825,259	297,438,031	289,246,825	307,479,823
Margin above bonds payable		889,623,000	949,233,200	934,228,600	981,869,400	953,096,641	1,073,693,552	1,051,017,541	1,159,344,898	1,188,265,975	1,111,990,977
General obligation bonds authorized – unissued		11,405,000	700,000	35,700,000	315,700,000	220,000,000	220,000,000	144,915,000	104,915,000	104,915,000	71,800,000
Legal debt margin	\$	878,218,000	948,533,200	898,528,600	666,169,400	733,096,641	853,693,552	906,102,541	1,054,429,898	1,083,350,975	1,040,190,977

- (1) Section 26(b) and (c) of the state constitution permits the City, by a vote of the qualified electors, to incur an indebtedness for City purposes not to exceed 10% of assessed valuation.
- (2) Section 26(d) and (e) of the state constitution provides that any City may become indebted not exceeding in the aggregate an additional 10% for the purposes of acquiring the right-of-way constructing, extending, and improving streets and avenues and/or waterworks, electric, or light plants, provided the total general obligation indebtedness does not exceed 20% of assessed valuation.
- (3) The total additional general obligation bonds in Fiscal Year 2010 includes \$1,380,000 general obligation bonds for sanitary sewers, \$49,650,000 general obligation bonds for streetlight projects, \$258,280,000 for capital projects, and \$475,000 general obligation bonds for neighborhood improvement district projects.
- (4) Fund balance of general debt, interest, and streetlight debt excluding encumbrances.

Source: Statistical Section of the Kansas City, Missouri Comprehensive Annual Financial Report for Fiscal Year 2010.